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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

March 4, 1994

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Meridian Oil, Inc.
P.O. Box 4289
Farmington, NM 87499-4289

Attention: Peggy Bradfield

Administrative Order NSL-3361(NSP)

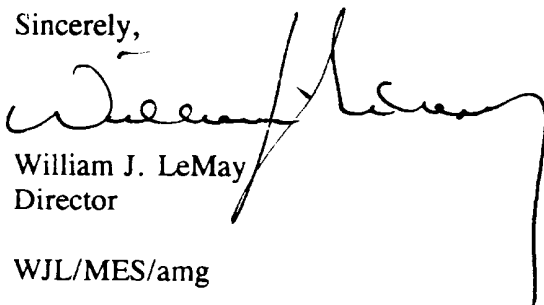
Dear Ms. Bradfield:

Reference is made to your application dated March 1, 1994, for a non-standard Pictured Cliffs gas well location for the proposed San Juan 28-5 Unit Well No. 230 to be drilled 1290 feet from the North line and 2314 feet from the East line (Unit B) of Section 25, Township 28 North, Range 5 West, NMPM, to test the wildcat Pictured Cliffs formation, Rio Arriba County, New Mexico. Lots 1 and 2 and the W/2 NE/4 (NE/4 equivalent) of said Section 25 shall be dedicated to the well forming a non-standard 184.64-acre gas spacing and proration unit for said zone.

By the authority granted me under the provisions of Division General Rules 104.F(1) and D(2), the above-described unorthodox gas well location and non-standard gas spacing and proration unit are hereby approved.

Further, it is our understanding that the Pictured Cliffs zone is to be downhole commingled with the Basin-Fruitland Coal Gas Pool in this well. The location is considered standard for the Basin-Fruitland coal gas interval, however, Meridian shall comply with all provision of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, as amended, pertaining to the downhole commingling of coal gas production with said Pictured Cliffs gas.

Sincerely,


William J. LeMay
Director

WJL/MES/amg

RECEIVED
MAR 08 1994
OIL CON. DIV.)
DIST. 3

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington

Ernie Busch

From: Ernie Busch
To: Mike Stogner
Subject: MERIDIAN OIL INC. (NSL)
Date: Wednesday, March 09, 1994 8:41AM
Priority: High

SAN JUAN 28-5 UNIT #230
B-25-28N-05W
1290' FNL; 2314' FEL
RECOMMEND: APPROVAL

Control Number: 023465

POINT OF DISPOSITION AND WELL COMPLETION INFORMATION

OGRID: 021042 Operator Name: SNYDER OIL CORP NW
1625 BROADWAY ST SU 2200 DENVER

CO 80202

C-115 Filer Contact Name: _____ Phone: () _____ FAX: () _____

POD: 2302810 Product Type: OIL Facility Type: 03 Location: C 19 31N 12W County SAN JUAN

OGRID Name

OGRID Name

Authorized Transporter(s): 009018 GIANT REFINERY

No Tank

Description of POD (40 characters or less): _____

POD: 2302830 Product Type: GAS Facility Type: 01 Location: C 19 31N 12W County SAN JUAN

OGRID Name

OGRID Name

Authorized Transporter(s): 021924 SUNTERRA GAS GATHERING COMPANY

Description of POD (40 characters or less): _____

POD: 2302850 Product Type: WATER Facility Type: 05 Location: C 19 31N 12W County SAN JUAN

Description of POD (40 characters or less): _____

WELL COMPLETIONS

Code Pool Name

Code Producing Property Name

API Well No. Location Well

71599 BASIN DAKOTA (PRORATED GAS)

010291 SOUTHERN UNION

30-045-24387 C 19 31N 12W 002E

MERIDIAN OIL

March 1, 1994

Sent Federal Express

Mr. William LeMay
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Meridian Oil Inc. San Juan 28-5 Unit #230
1290'FNL, 2314'FEL, Section 25, T-28-N, R-5-W - Rio Arriba County, New Mexico
API # 30-039-(not assigned)

Dear Mr. LeMay:

Meridian Oil Inc. is applying for administrative approval of a non-standard location for the above location in the Pictured Cliffs formation. This application for the referenced location is due to terrain as shown on the topographic map and archaeology.

This well is planned as a Basin Fruitland Coal/South Blanco Pictured Cliffs well, and application will be made to the New Mexico Oil Conservation Division to commingle this well.

The following attachments are for your review:

1. Application for Permit to Drill.
2. Completed C-102 at referenced location.
3. Offset operators/owners plat
4. 7.5 minute topographic map showing the orthodox windows for the northeast quarter dedication for the Pictured Cliffs, and enlargement of the map to define topographic features.
5. If the well were directionally drilled to a standard bottom hole location, the economics would be severely burdened due to the incremental directional drilling costs of \$150,000.

Meridian Oil Inc. is operator of the San Juan 28-5 Unit and is the offsetting operator for this section.

Sincerely,




Peggy Bradfield
Regulatory/Compliance Representative

encs.

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MAR 03 1994
OIL CON. DIV
DIST. 3

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	5. Lease Number SF-079520A
1b. Type of Well GAS	6. If Indian, All. or Tribe
2. Operator MERIDIAN OIL	7. Unit Agreement Name San Juan 28-5 Unit
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name San Juan 28-5 Unit 9. Well Number 230
4. Location of Well 1290' FNL, 2314' FEL Latitude 36° 38' 09", Longitude 107° 18' 22"	10. Field, Pool, Wildcat Basin Fruitland Coal/ S. Blanco Pic. Cliffs 11. Sec., Twn, Rge, Mer. Sec 25, T-28-N, R-5-W NMPM
14. Distance in Miles from Nearest Town 6 miles to Gobernador	12. County Rio Arriba
	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 1290'	
16. Acres in Lease	17. Acres Assigned to Well 344.62 N/2; 184.64 NE/4
18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease 70'	
19. Proposed Depth 3940'	20. Rotary or Cable Tools Rotary
21. Elevations (DF, FT, GR, Etc.) 6775' GR	22. Approx. Date Work will Start 4th quarter 1993
23. Proposed Casing and Cementing Program See Operations Plan attached	
24. Authorized by:  Regional Drilling Engineer	<div style="text-align: center;">RECEIVED MAR 03 1994 OIL CON. DIV DIST 3</div> <div style="text-align: right;"><u>9/21/93</u> Date</div>

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

Archaeological Report submitted 05-1-93 Technical Report #228- Arboles Contract Archaeology
Threatened and Endangered Species Report to be submitted
NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

OPERATIONS PLAN

Well Name: San Juan 28-5 Unit #230
Location: 1290'FNL, 2314'FEL Section 25, T-28-N, R-05-W
 Rio Arriba County, New Mexico
 Latitude 36° 38' 09", Longitude 107° 18' 22"
Formation: Basin Fruitland Coal/So.Blanco Pictured Cliffs
Elevation: 6775'GL

Formation:	Top	Bottom	Contents
Surface	San Jose	3070'	
Ojo Alamo	3070'	3240'	aquifer
Kirtland	3240'	3450'	
Fruitland	3450'	3666'	
Fruitland Coal Top	3560'	3660'	gas
Pictured Cliffs	3666'	3940'	gas
Total Depth	3940'		

Logging Program: Mud logs from 3400' to Total Depth.
 IND, Dens, Neut, GR, ML to TD.

Mud Program:

Interval	Type	Weight	Vis.	Fluid Loss
0- 200'	Spud	8.4-8.9	40-50	no control
200-3940'	Non-dispersed	8.4-9.5	30-60	no control

Casing Program:

Hole Size	Depth Interval	Csg.Size	Wt.	Grade
12 1/4"	0 - 200'	8 5/8"	24.0#	K-40
7 7/8"	0 - 3940'	4 1/2"	10.5#	K-55

Tubing Program:

0 - 3940'	2 3/8"	4.7#	J-55
-----------	--------	------	------

Float Equipment: 8 5/8" surface casing - saw tooth guide shoe.
 Centralizers will be run in accordance with Onshore Order #2.

4 1/2" production casing - float shoe on bottom. Three centralizers run every other joint above shoe. Four centralizers run every 3rd joint to the base of the Ojo Alamo @ 3240'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 3240'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

Wellhead Equipment: 8 5/8" x 4 1/2" x 2 3/8" x 11" 2000 psi xmas tree assembly.

September 21, 1993

Cementing:

8 5/8" surface casing - cement with 235 sx Class "B" cement with 1/4# flocele/sx and 3% calcium chloride (298 cu.ft. of slurry, 200% excess to circulate to surface). WOC 12 hrs. Test casing to 600 psi for 30 minutes.

4 1/2" production casing -

First stage - lead w/75 sx Class "B" 65/35 Poz w/6% gel, 2% calcium chloride, 6.25# gilsonite/sx and 1/4# flocele/sx (133 cu.ft. of slurry), tail w/100 sx Class "B" w/2% calcium chloride, 5#/sx gilsonite, 0.25#/sx celloflake (118 cu.ft.), 100% excess to circulate stage tool @ 3400').

Second stage - lead w/733 sx of Class "B" 65/35 Poz w/6% gel, 2% calcium chloride, 6.25# gilsonite/sx and 1/4# flocele/sx (1297 cu.ft.). Tail w/50 sx Class "B" w/2% calcium chloride (59 cu.ft. of slurry, 75% excess to circulate to surface). WOC 12 hrs. If cement does not circulate to surface, a temperature log will be run after 8 hours to determine TOC.

BOP and tests:

Surface to TD - 11" 2000 psi (minimum double gate BOP stack (Reference Figure #1 and #2). Prior to drilling out surface casing, test rams to 600 psi/30 min.

Completion - 6" 2000 psi (minimum) double gate BOP stack (Reference Figure #2). Prior to completion operations, test rams and casing to 2000 psi/15 min.

From surface to TD - choke manifold (Reference Figure #3).

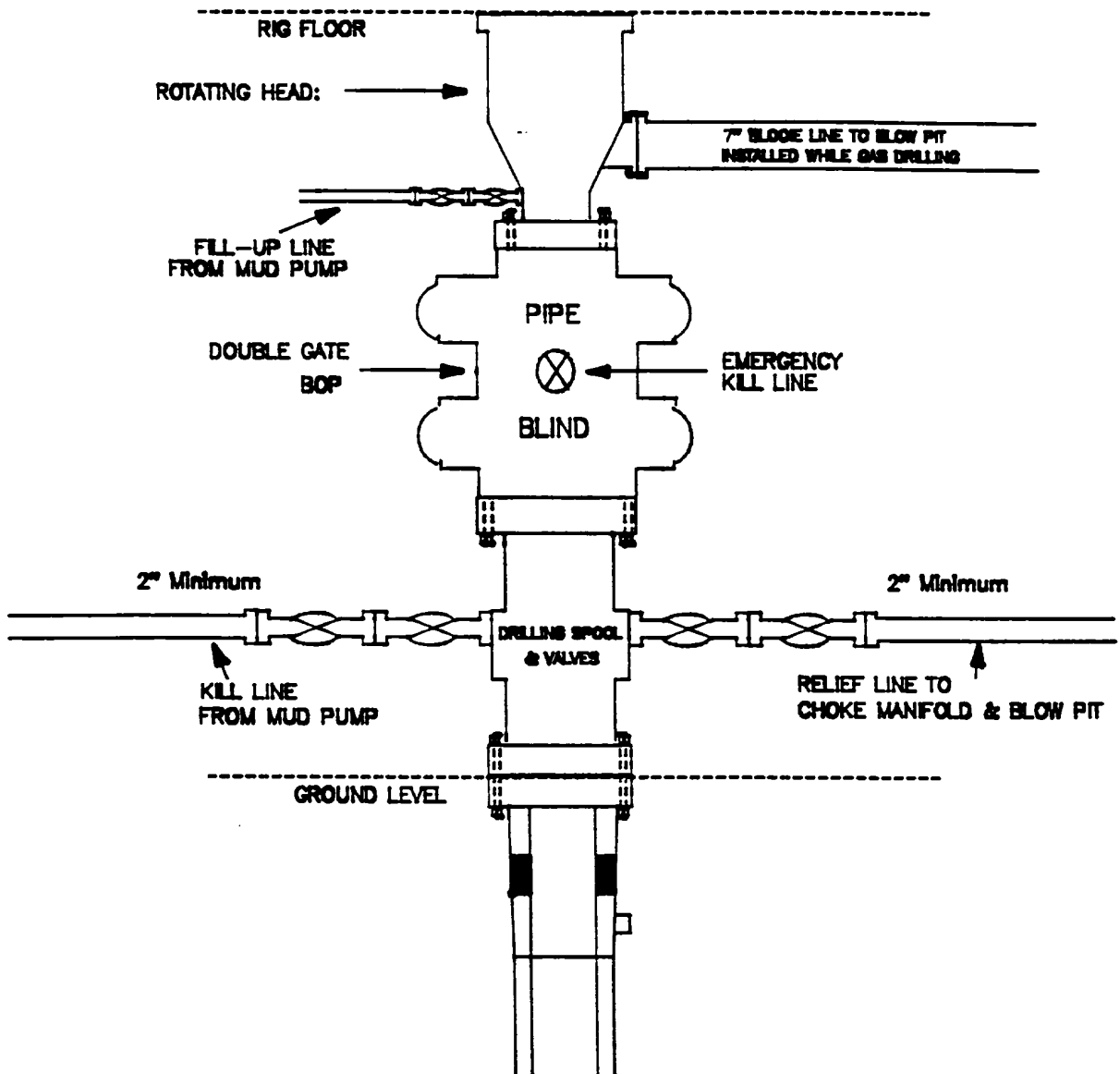
Pipe rams will be actuated to least once each day and blind rams actuated once each trip to test proper functioning. An upper kelly cock valve with handle and drill string safety valves to fit each drill string will be maintained and available on the rig floor.

Additional information:

- * The Fruitland Coal and Pictured Cliffs formations will be completed and commingled per New Mexico Oil Conservation Division order.
- * Anticipated pore pressure for the Fruitland is 1150 psi and for the Pictured Cliffs is 1150 psi.
- * This gas is dedicated.
- * The north half of Section 24 is dedicated to the Fruitland Coal and the northeast quarter of the section is dedicated to the Pictured Cliffs.
- * New casing will be utilized.
- * Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.

MERIDIAN OIL INC.

BOP Configuration 2M psi SYSTEM

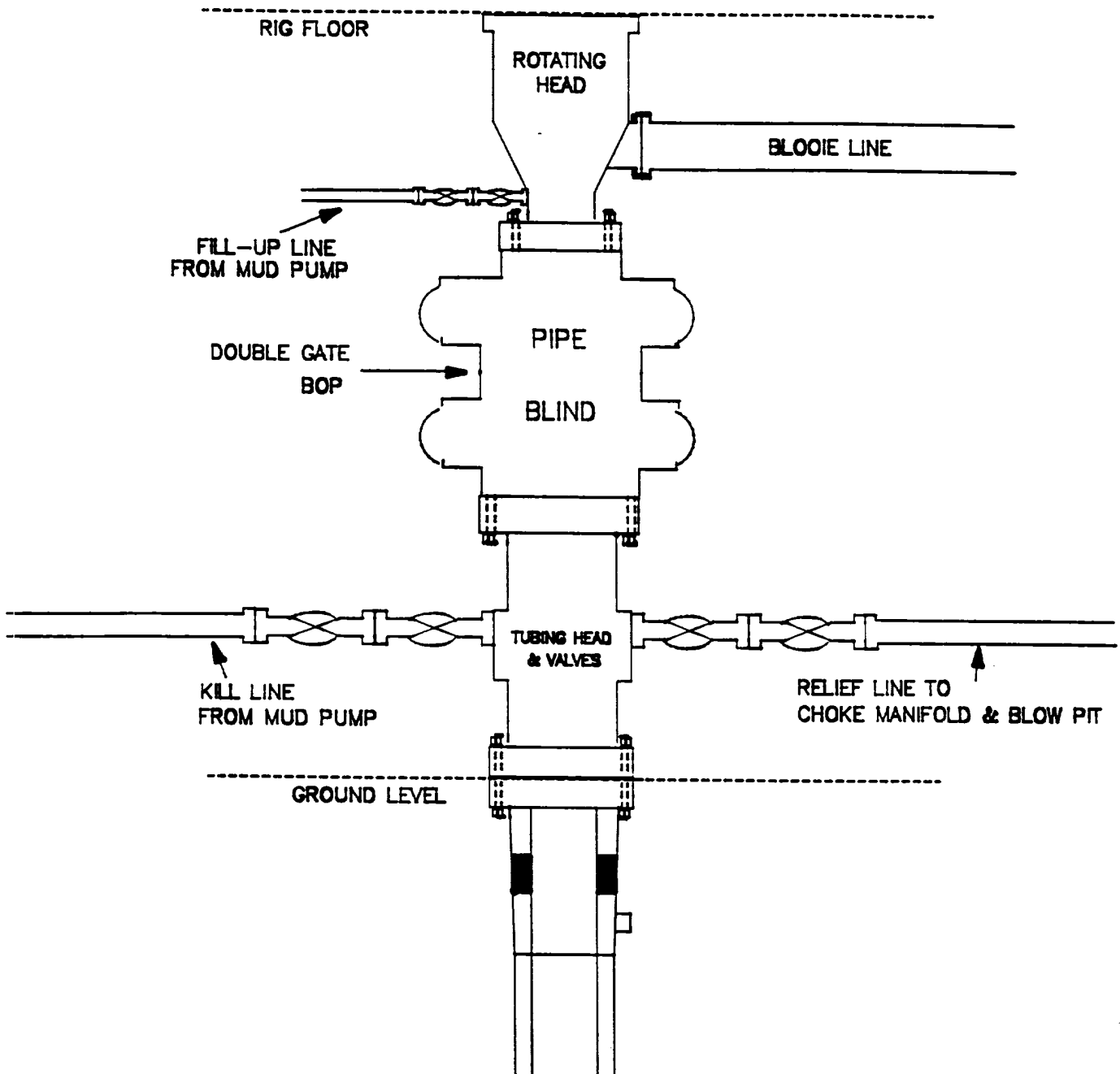


11" Bore, 2000psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A Schaffer Type 50 or equivalent rotating head to be installed on the top of the BOP. All equipment is 2000psi working pressure/or greater.

Figure #1

MERIDIAN OIL INC.

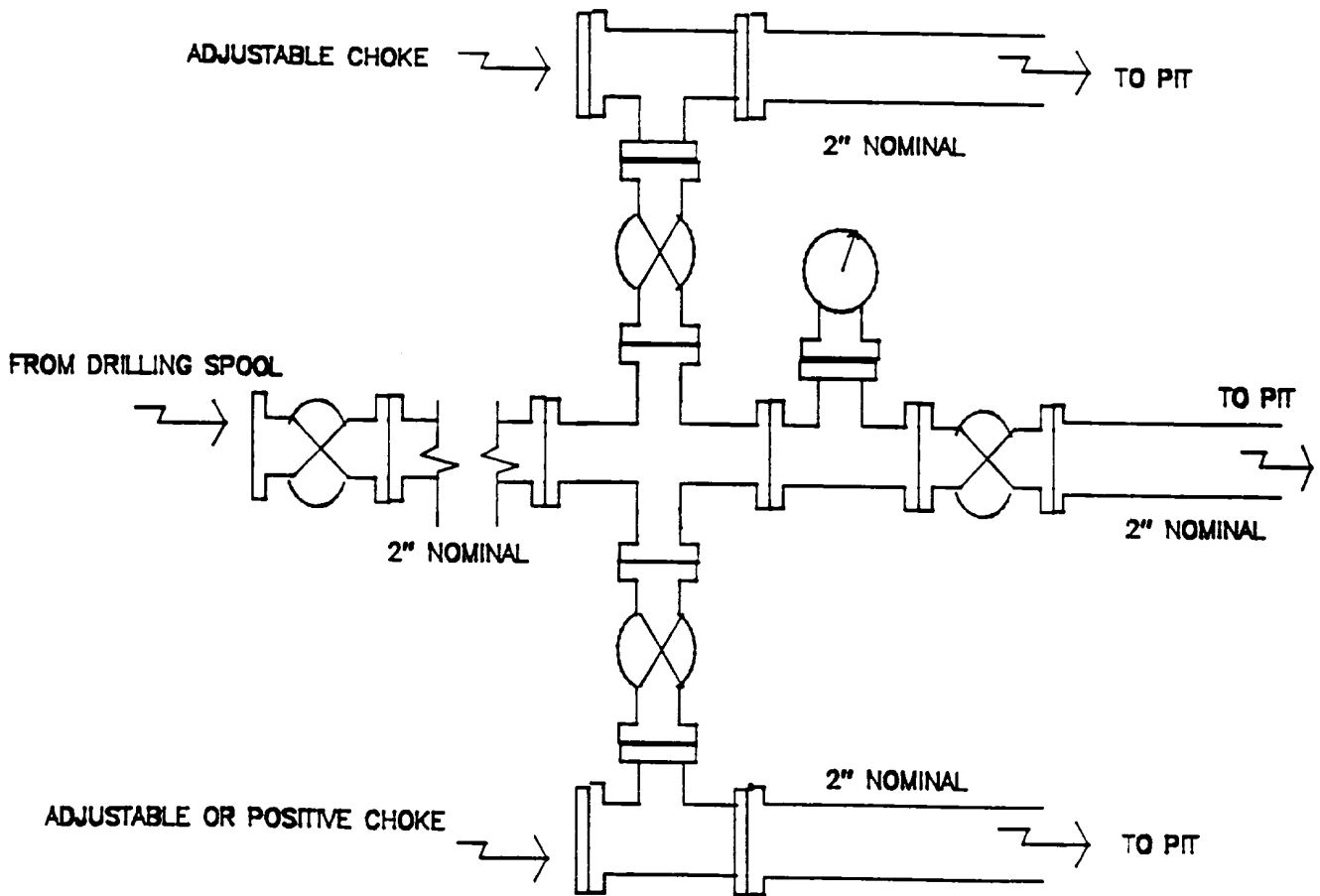
BOP Configuration
2M psi SYSTEM



Minimum BOP installation for Completion operations. 7 1/16" Bore (6" Nominal), 3000psi minimum working pressure double gate BOP to be equipped with blind and pipe rams.

Figure #2

MERIDIAN OIL INC.
Choke Manifold Configuration
2M psi SYSTEM



Minimum choke manifold installation from surface to Total Depth.
2" minimum, 2000psi working pressure equipment with two chokes.

Figure #3

MERIDIAN OIL

San Juan 28-5 Unit #230 Multi-Point Surface Use Plan

1. **Existing Roads** - Refer to Map No. 1. Existing roads used to access the proposed location will be properly maintained for the duration of the project. Bureau of Land Management right-of-way has been applied for as shown on Map No. 1.
2. **Planned Access Road** - Refer to Map No. 1. None required.
3. **Location of Existing Wells** - Refer to Map No. 1A.
4. **Location of Existing and/or Proposed Facilities if Well is Productive** -
 - a. **On the Well Pad** - Refer to Plat No. 1, anticipated production facilities plat.
 - b. **Off the Well Pad** - Anticipated facilities off the well pad will be applied for as required.
5. **Location and Type of Water Supply** - Water will be hauled by truck for the proposed project and will be obtained from San Juan 27-5 Water Well #1 located NE/4 Section 3, T-27-N, R-5-W, New Mexico.
6. **Source of Construction Materials** - If construction materials are required for the proposed project, such materials will be obtained from a commercial quarry.
7. **Methods of Handling Waste Materials** - All garbage and trash materials will be removed from the site for proper disposal. A portable toilet will be provided for human waste and serviced in a proper manner. If liquids are left in the reserve pit after completion of the project, the pit will be fenced until the liquids have had adequate time to dry. The location clean-up will not take place until such time as the reserve pit can be properly covered over to prevent run-off from carrying waste materials into the watershed. All reserve pits will be lined with 12 mil bio-degradable plastic liner. All earthen pits will be so constructed as to prevent leakage from occurring; no earthen pit will be located on natural drainage. Generation of hazardous waste is not anticipated. Federal regulations will be adhered to regarding handling and disposal of such waste if so generated.
8. **Ancillary Facilities** - None anticipated.
9. **Wellsite Layout** - Refer to the location diagram and to the wellsite cut and fill diagram (Figure No. 4). The blow pit will be constructed with a 2'/160' grade to allow positive drainage to the reserve pit and prevent standing liquids in the blow pit.

10. Plans for Restoration of the Surface - After completion of the proposed project, the location will be cleaned and leveled. The location will be left in such a condition that will enable reseeding operations to be carried out. Seed mixture as designated by the responsible government agency will be used. The reseeding operations will be performed during the time period set forth by the responsible government agency. The permanent location facilities will be painted as designated by the responsible government agency.
11. Surface Ownership - Bureau of Land Management
12. Other Information - Environmental stipulations as outlined by the responsible government agency will be adhered to. Refer to the archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
13. Operator's Representative and Certification - Meridian Oil Regional Drilling Manager, Post Office Box 4289, Farmington, NM 87499, telephone (505) 326-9700. I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan, are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Meridian Oil Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

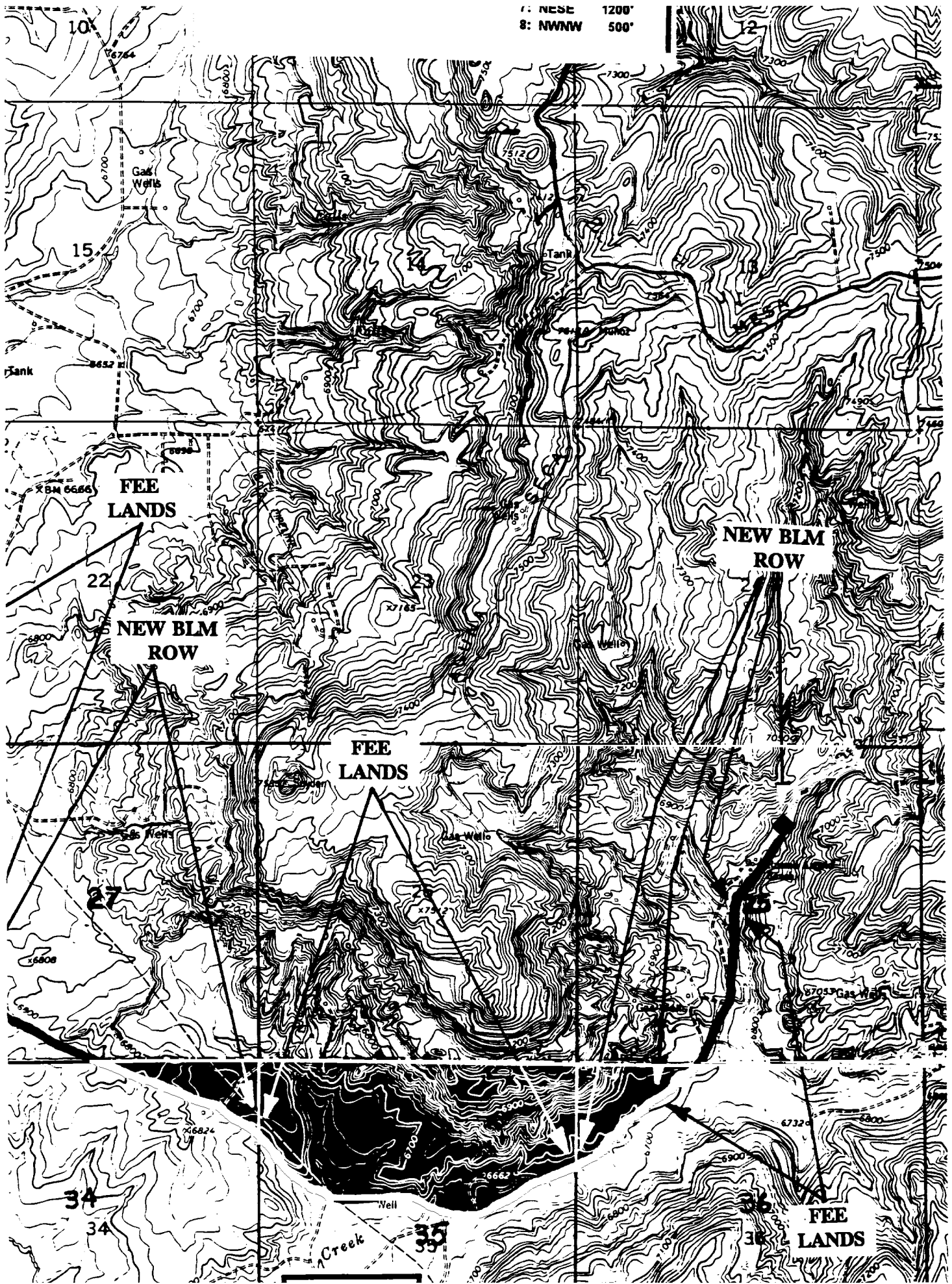


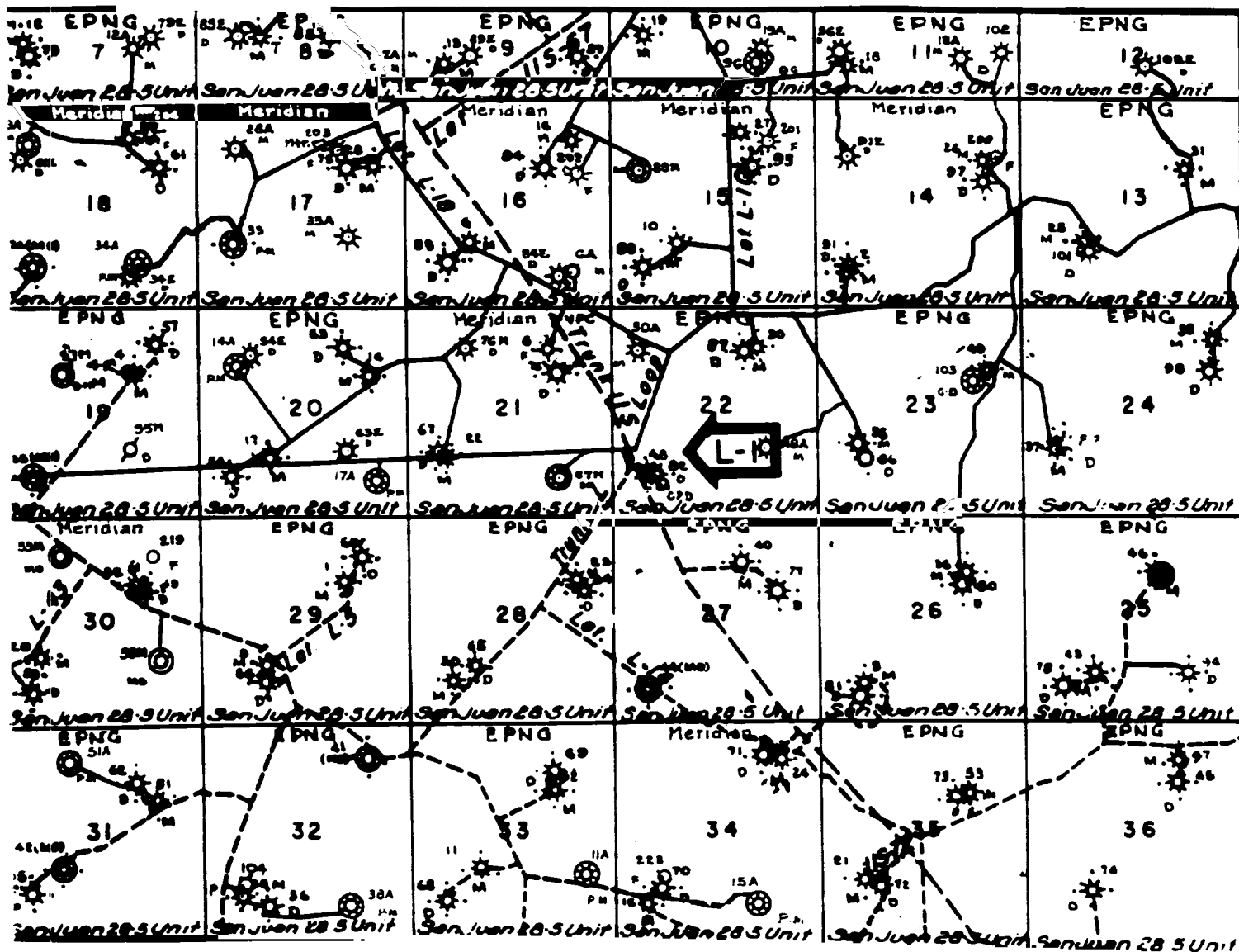
Regional Drilling Engineer

9/21/93

Date

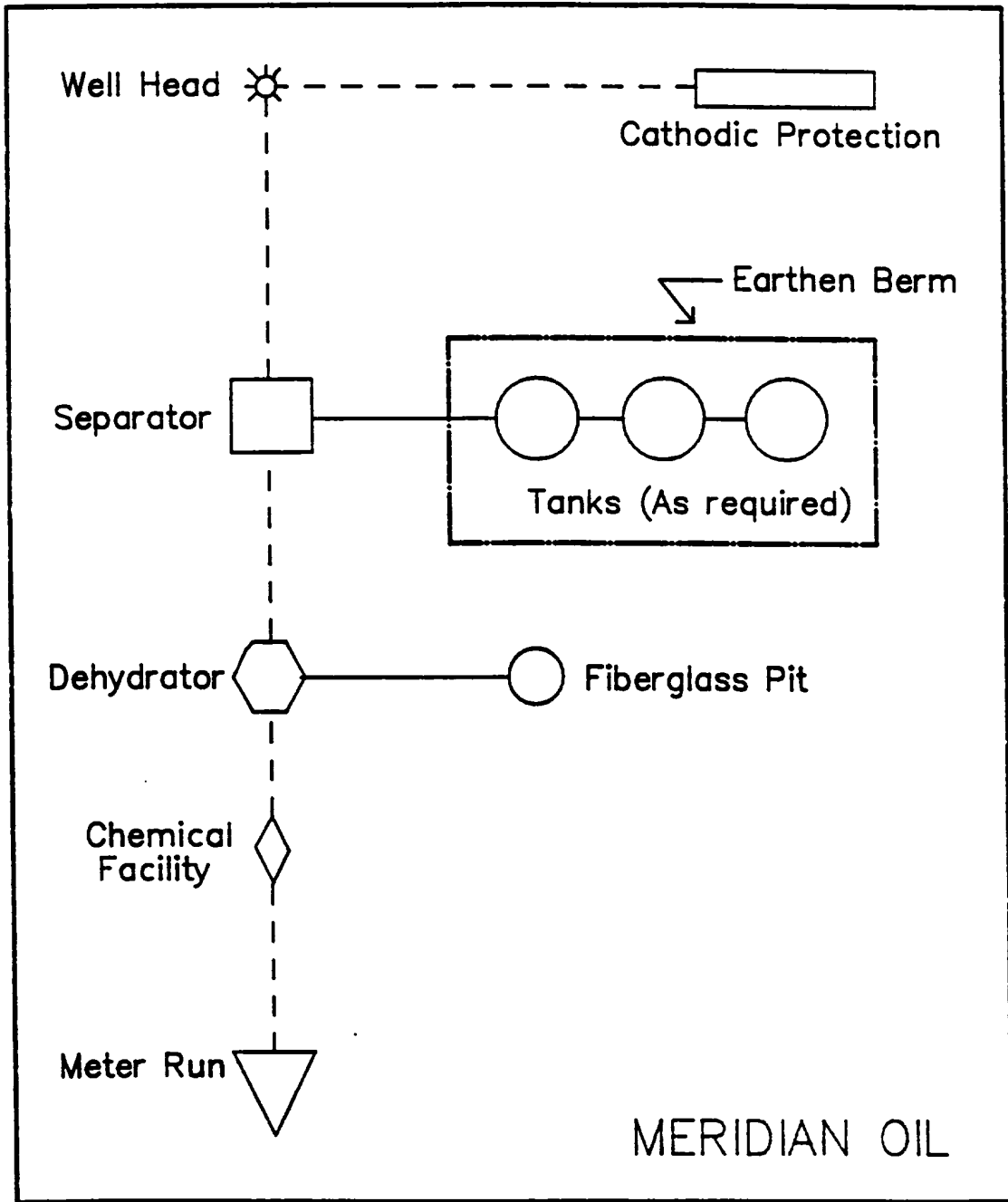
7: NESE 1200'
8: NWNW 500'





MERIDIAN OIL INC.
 Pipeline Map
 T-28-N, R-05-W
 San Juan County, New Mexico
 San Juan 28-5 Unit #230
 Map #1A

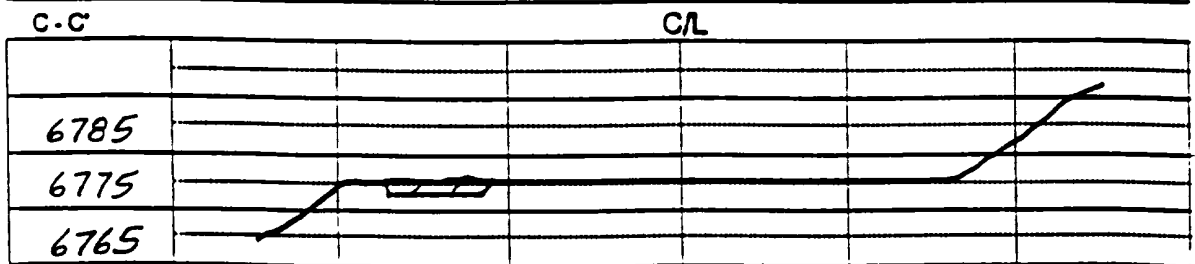
Well Pad Boundary



ANTICIPATED
PRODUCTION FACILITIES
FOR A
FRUITLAND COAL/PICTURED CLIFFS COMMINGLED WELL

Plat 2

WASH



Submit to Albuquerque
District Office
State Lands - 4 copies
Fee Lands - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-182
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1983, Hobbs, NM 88240

DISTRICT II

P.O. Drawer 60, Artesia, NM 88210

DISTRICT III

1000 Rio Arriba S.E., Alamogordo, NM 87430

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator		Lands		Well No.	
Meridian Oil Inc.		San Juan 28-5 Unit		230	
U.S. Lat.	Section	Township	Range	County	
B	25	28 North	5 West	Rio Arriba	
Actual Foreign Location of Well:					
1290	feet from the	North	line and	2314	feet from the
6775'	East	Fruitland Coal/Pic.Cliffs Basin/So.Blanco		344.64/184.64	
Greatest Elev.		Producing Formations		Distances in Acres	

1. Outline the acreage dedicated to the subject well by accurate points or distance measurements on the plat below.

2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the names of all owners been established by communication, lease-pooling, etc.?

☒ Yes ☐ No If answer is "yes" type of communication: unitization

If answer is "no" list the owners and their descriptions which have already been established. (Use reverse side of this form if necessary.)

No alterations will be assigned to the well until all owners have been established (by communication, lease-pooling, or otherwise) or until a non-assignment unit, eliminating such interest, has been approved by the Division.

5687.88'	
SF-079520A	1290'
2314'	2
25	3
4	

RECEIVED
MAR 3 1994
OIL CON. DIV
DIST 3

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Peggy Bradford
Signature

Peggy Bradford

Printed Name

Regulatory Affairs

Position

Meridian Oil Inc.

Company

9-20-93

Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes, actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

3-12-93
Date Surveyed

C. EDWARDS

Needle & Thread

Signature of Surveyor

Professional Surveyor

19857

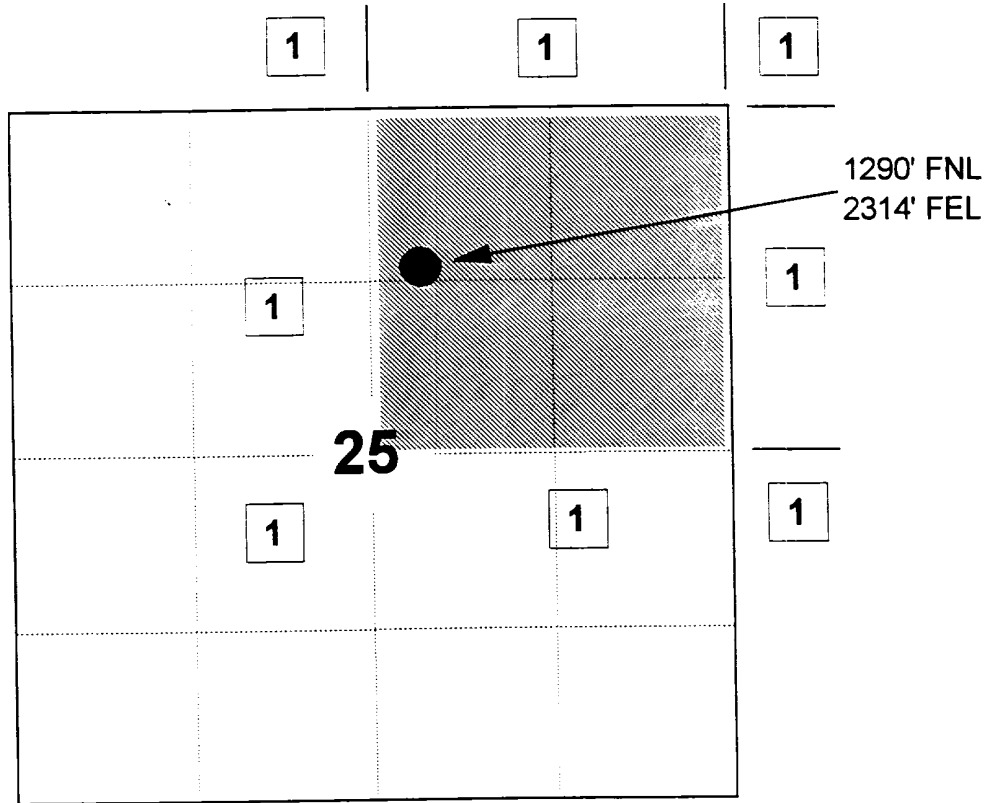
MERIDIAN OIL INC

SAN JUAN 28-5 UNIT #230

OFFSET OPERATOR \ OWNER PLAT

Unorhtodox Pictured Cliffs Well Location

Township 28 North, Range 5 West



1) Meridian Oil Inc
